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CIA HISTORICAL STAFF

The Support Services Historical Series

THE OFFICE OF PERSONNEL:

SPECIAL ACTIVITIES STAFF, 1957-70

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OP - 3

November 1971

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THE SUPPORT SERVICES HISTORICAL SERIES

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THE OFFICE OF PERSONNEL:
SPECIAL ACTIVITIES STAFF, 1957-70

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by

November 1971

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Director of Personnel

HISTORICAL STAFF
CENTRAL INTELLIGENCE AGENCY

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I. [REDACTED]

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Summary

From the establishment of CIA in 1947 until the early 1950's, a primary responsibility of the Office of Personnel was one of filling vacant positions. Employees unable to perform the duties of one job were usually given another. The cases of employee misconduct which arose during that period were handled by the usual Civil Service procedures.

Beginning in 1953 the Agency's rate of growth began to slow somewhat and more attention was focused on individual productivity and suitability. More and more employees began to be identified as non-productive. Many left the rolls after being advised of their situation and the fact there was no other position for them in the Agency. Some, however, refused to leave. There was reluctance to process their cases using the Civil Service procedures, mainly because the employee would have a final appeal to the Commission itself and it was felt that the security of intelligence sources and methods would be placed in jeopardy. Finally, in 1957 the then Director of Personnel, Mr. Gordon M. Stewart, designated [REDACTED] as the Special Assistant to the Director of Personnel to help resolve that impasse.

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At first the Special Assistant was concerned primarily with performance and conduct cases. In addition, his staff furnished the clerical support and executive secretary for the Agency's Disposition Board, now called the Personnel Evaluation Board. Beginning in 1958, performance cases were processed by the staff under the provisions of the Agency's selection out program. In that year responsibilities for the Applicant Review Panel and the Overseas Candidate Review Panel were added to the staff. Starting in 1961 the staff also played the major role in the Agency's "701" surplus program and separation compensation program. In 1962 the staff was given responsibility for the management of the Agency's career conversion program as well as the program for the integration of "Eyes Only" personnel information. Since 1963 the staff has been called the Special Activities Staff (SAS). Throughout its existence, the staff has been responsible for developing regulatory material concerning conduct and discipline, procedures for handling adverse action cases, and the like.

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The Office of Personnel:

Special Activities Staff

1957-70

I. Development of the Special Activities Concept

The staff was organized as of 19 September 1957 under the Special Assistant to the Director of Personnel on the concept that within the broad framework of Agency personnel activities there are certain "special" personnel activities that can best be performed by a compact staff consisting of persons who:

- 1) are broadly trained and experienced in evaluative techniques;
- 2) are experienced in Agency standards of performance and behavior as well as other pertinent criteria;
- 3) have access to all pertinent and necessary records, including confidential records; and
- 4) have had sufficient continuity in the assigned functions to permit the application of a longer as well as a wider view.

Generally, such "special activities" as have been successively assigned to the Special Assistant include those which relate to any action having an adverse effect on an employee's status with the Agency (such as separation, demotion, suspension), as well as certain functions relating to initial selection,

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conversion to Career Employee status, and suitability for overseas assignment.

A. Arrangements Before 1957

Prior to the designation of the Special Assistant in 1957, the functions currently* assigned to the Special Activities Staff were handled in various ways by different components of the Office of Personnel. Certain of the more serious problem cases were handled directly by the Director of Personnel. Other personnel problem cases were handled by the former Employee Relations Division and by the Placement Division. Career conversion matters were handled by the former Research and Development Staff. Applicant Review Panel matters were a responsibility of the Chief, Placement and Utilization Division. Separation cases were at that time subject to the same separation authority applicable to all Federal agencies, and use of this authority entailed the possibility of appeals to the United States Civil Service Commission.

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B. Designation of the Special Assistant to the Director of Personnel, 1957

On 19 September 1957, [REDACTED] was designated "Special Assistant to the Director of Personnel" by the then

* As of July 1970.

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Director of Personnel, Mr. Gordon M. Stewart. The primary responsibility assigned to the Special Assistant and his staff was one of implementing a program then in the early stages of development for selecting out Agency "deadwood." Later, additional duties were added to the staff--responsibility for the Applicant Review Panel, the Overseas Candidate Review Panel, and the Career Conversion Program.

C. Designation as the Special Activities Staff, 1963

25X1A In 1963, following a survey of the Office of Personnel, the office was redesignated Special Activities Staff, Office of Personnel, with essentially the same functions and delegations of authority. [REDACTED] continued to be designated as the Special Assistant to the Director of Personnel.

The Special Assistant has always reported directly to the Director of Personnel. The Special Activities Staff has been a compact staff, in keeping with the nature and confidential aspect of its responsibilities. Generally, throughout its history the staff has consisted [REDACTED]

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[REDACTED] Turnover of personnel has been relatively light, which has also been conducive to good security practice.

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II. Highlights of Special Activities Programs

A. Selection Out, 1958

During 1957, studies were undertaken by the Office of Personnel having as their purpose the development of procedures involving the identification and release of persons "whose record of past service and behavior [had] been satisfactory but whose continued employment [would] impair the efficiency of the Agency." The thought behind these studies was that there was an unusually high percentage of individuals on Agency rolls who were of marginal utility. Even though their official records were not sufficiently unsatisfactory to warrant dismissal for cause, they were contributing little or nothing to the Agency; and, in any case, were blocking advancement opportunities for younger, more promising individuals. These studies resulted in a formal proposal to the Deputy Director of Central Intelligence (General Cabell) in January 1958, which led directly to Mr. Dulles' directive of 17 February 1958 to the Deputy Directors establishing the Selection-Out Program.

The DCI directive (Appendix B), after noting the rapid rate of increase of personnel during the period of the Korean War, went on to adopt certain procedures "the purpose of which

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[was] to identify and release from employment persons whose effectiveness is sub-standard." The procedures adopted for implementing this policy and program were of considerable importance and represented an important new departure within the Agency in the handling of personnel problem cases. Prior to the adoption of this program, the Agency's policies and procedures for dealing with prospective separation cases were more of an improvised nature, and the treatment to be afforded a particular case varied considerably with the case. The Selection Out Program adopted in February 1958 established for the first time within the Agency procedures which were intended to protect the interests of both the individual and the Agency. In the course of time, these procedures became sufficiently well known, not only to personnel and administrative officers but also to employees generally, to be characterized as something that all concerned could depend on, and which, by their nature, involved principles of fair play. Briefly, the basic procedures were as follows:

- a. Individuals to be considered for "selection out" were to be identified by the heads of the various Career Services. Such identification was to be based on annual reviews to be made by Career Service Boards and Competitive Evaluation Panels. (In 1959, after gaining some experience with the program, the

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Director modified the policy with respect to the annual review. He directed that less dependence be placed on the annual review and the ranking of candidates for selection out and that more emphasis be placed on taking action at the time a substandard employee was first identified.)

b. After identifying individuals to be proposed for selection out, the Head of the Career Service concerned was obliged to consult with the Special Assistant to the Director of Personnel on the case prior to the initiation of formal action. Following such consultation, the Head of the Career Service was then obliged to notify the individual of his decision and to refer the individual to the Office of Personnel for a formal review of the case.

c. In reviewing each case, the Office of Personnel (the office of the Special Assistant to the Director of Personnel) afforded the individual every opportunity to be heard. This included an opportunity to submit written comments, an opportunity for a personal hearing, and an opportunity to call witnesses. Following such reviews by the office of the Special Assistant to the Director of Personnel, the case was then reviewed personally by the Director of Personnel. The Selection-Out Program was predicated on the use of the DCI's special termination authority (Section 102(c) of the National Security Act) which provided that:

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Notwithstanding the provisions of Section 6 of the Act of August 24, 1912 (37 Stat. 555), or the provisions of any other law, the Director of Central Intelligence may, in his discretion, terminate the employment of any officer or employee of the Agency whenever he shall deem such termination necessary or advisable in the interests of the United States

Any recommendation by the Director of Personnel that an employee be separated necessitated the forwarding of a formal recommendation to the Director of Central Intelligence. This permitted the individual to make a further appeal to the DCI--as a matter of practice, such appeals were reviewed by the Office of the Inspector General. This appeal arrangement permitted the individual a final opportunity to add to the record anything he considered pertinent, including complaints as to the procedures themselves.

d. Following an adverse decision by the DCI, an individual whose termination had been directed was allowed approximately 30 days on Agency rolls and an opportunity to avail himself of all entitlements and benefits, such as outplacement assistance, an opportunity to apply for retirement if eligible, and the like. As a result of this sort of handling, feelings of bitterness toward the Agency were mitigated in most cases prior to the individual's departure. The following table shows the number of employees who were actually separated by the Director or who resigned or retired in lieu of separation during the most active

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period of the Selection-Out Program from 1958 to 1964.

<u>Calendar Years, 1958-64</u>				
<u>Year</u>	<u>Separated</u>	<u>Resigned in Lieu</u>	<u>Retired in Lieu</u>	<u>Total</u>
1958	11	22	13	46
1959	6	13	1	20
1960	5	11	1	17
1961	3	13	0	16
1962	1	1	0	2
1963	0	4	0	4
1964	0	1	0	1
Total	<u>26</u>	<u>65</u>	<u>15</u>	<u>106</u>

Of the 106 employees "selected out" during the period 1958 to 1964, only two turned to the courts for further redress. Both lost their cases. As far as the Agency was concerned, the cases did lend support to its decision to use the Director's special authority in removing employees for reasons of misconduct, poor performance, or any other reason. One of the cases which went to court involved a GS-13 employee who had spent most of his Agency career in the Clandestine Service. He had been regarded as uncooperative and headstrong for a number of years. Finally in 1959 the Deputy Director for Plans recommended to the Director of Personnel that he be separated. His case was heard by the Special Assistant, following which the Director of Personnel recommended that he be separated. His appeal was heard by the Inspector General, who recommended that the employee

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be reassigned for a one-year period to a position within the Directorate of Intelligence, to permit the employee to attain retirement age 60. Approximately one year later the Deputy Director for Intelligence then recommended to the Director of Personnel that the employee be separated. The case was again considered by the Special Assistant. The Director of Personnel recommended to the Director that the employee be separated. The employee again appealed to the Inspector General, who this time sustained the Director of Personnel's recommendation, and the Director decided that the employee should in fact be separated. Following his termination the employee sued in the District Court for the District of Columbia. The Court noted that this case was "not a termination for security reasons but for lack of suitability for the position in grades available" and granted a Government motion for summary judgment. The employee appealed that decision, and the US Court of Appeals for the District of Columbia affirmed the action of the District Court. In its opinion the Appellate Court emphasized that Section 102(c) of the National Security Act fixes in the Director of Central Intelligence "a broad discretion to terminate employees in the interest of the United States."

In the second case the Chief, TSD/DDP in 1959 recommended to the Director of Personnel that a GS-12 employee be separated

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due to his uncooperative attitude over a considerable period of time. The case was heard by the Special Assistant, following which the Director of Personnel recommended to the Director that the employee be separated. The employee's appeal to the Director was heard by the Inspector General and subsequently the Director decided that the employee should be terminated. Following his termination the employee went to the Court of Claims alleging wrongful termination based on violations of the Veterans Preference Act and regulations of the Civil Service Commission and the Agency. The Court decided for the Government and in its opinion stated that Section 102(c) clearly gives the Director of Central Intelligence the absolute right to terminate any employee whenever he deemed it necessary or advisable. The Court found no violation of regulations or the Veterans Preference Act. The Supreme Court refused to grant a writ of certiorari in that case, thus leaving undisturbed the decision of the Court of Claims. In each case, the Court reviewed the Director's action to determine whether it was consistent with internal Agency procedures.

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B. The "701" Program, 1961

Originally proposed by the Director of Personnel to the Deputy Director of Central Intelligence in November 1959 as part of a Professional Manpower Control Program for the Clandestine Service, the 701 Program, as it came to be called, was officially adopted with the issuance of

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The study which accompanied the original proposal pointed out that the Clandestine Service Career Service would not be able to maintain a proper level of operational activity unless steps were taken to provide for the recruitment annually of a substantial number of capable young officers and for their advancement at a reasonable pace. It was felt that to recruit these young officers, the service must separate an equal number annually. In order to promote them, it was stated, a means must be found to effect such separations among personnel occupying middle and higher grades since normal attrition would not accomplish these separations. Although primarily intended for use in smoothing out the age and grade "hump" in the Clandestine Service by an annual selection out process in these grades, the program was also offered as an instrument for any planned reduction in staff.

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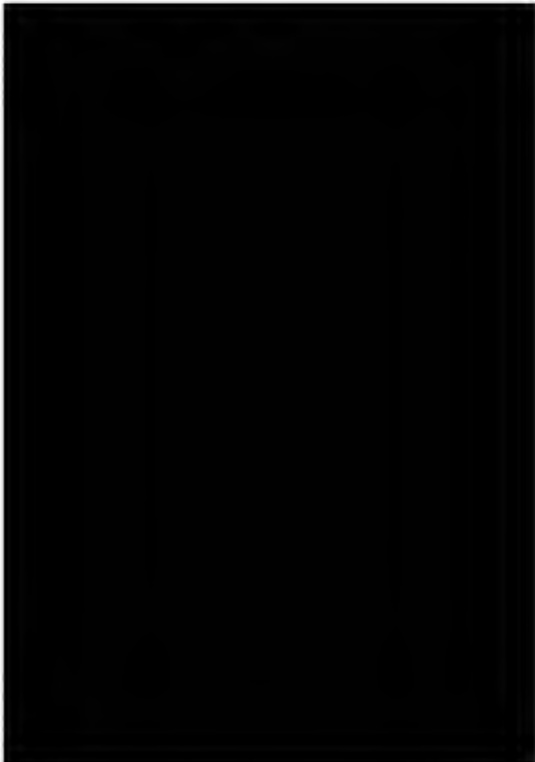
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In actuality, the long-range manpower planning and control aspects of the proposals were never realized. The 701 Program developed as a surplus-personnel program and was implemented, at least as far as the Clandestine Service Career Service was concerned, on the concept of "purifying" the service by the elimination of marginal personnel.

Individuals were ranked in the various grades as to suitability for employment and retention value, with the lowest ranking employees in all grade levels "tapped" for selection out. These determinations were accomplished by the Career Service panels in the Clandestine Service, which had to review and consolidate initial recommendations from the various operating officials. Panel rankings and nominations were subject to review by the Head of the Career Service and changes were frequent at each step in the process. Final results were sent to the Director of Personnel, who convened review committees of three Agency employees for each grade level from GS-9 through GS-15. None of the Committee members were from the Clandestine Service Career Service, and they were asked to render final judgment and recommendations to the Director. The review committees for the various grade levels appointed by the Director of Personnel on 21 September 1961 to review the relative retention standing exclusively for the Clandestine Service surplus program consisted of the following:

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25X1A	Committee	Grade Level	Date Report
	<u>Members</u>	<u>Reviewed</u>	<u>Submitted</u> <u>to D/Pers</u>
		9	17 Oct 61
		11	6 Nov 61
		12	13 Oct 61
		13	17 Oct 61
		14	8 Nov 61
		15	27 Oct 61

The intermingling of the surplus and marginal concepts led to numerous dissatisfactions. Management was dissatisfied with the almost complete failure of the fitness reporting system to document actions being taken. A credibility gap opened between management and the employee as to the real purpose to be served by the exercise. A number of those considered for separation had no prior warning in fitness reports or from conversations with supervisors that their performance was unsatisfactory. Others who had good records learned with dismay that they lacked potential for further Agency employment. In a few cases individuals

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chosen for separation were asked by their office to remain on duty as a convenience to the Agency until a suitable replacement could be found. At the very end of the Program in 1962, the personnel folders were reviewed personally by the Deputy Director of Central Intelligence, General Marshall Carter, as one of his first official acts upon assuming office. One consequence of General Carter's review was the initiation of the integration of personnel information program discussed in Section G, page 43, below.

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The effect of the [REDACTED] Program on morale and recruiting was correctly predicted by the Director of Personnel in his November 1959 proposal, which is quoted in toto:

The traditional approach to a large scale reduction or staffing change is to do it as quickly as possible, and then start afresh. Take your public beating, and expect that the incident will soon be forgotten. This approach has merit and should be followed in solving part of the problem of the clandestine services. There should, in other words, be one 'reduction of surplus personnel' and every effort should be made to include in it all persons who can be spared at that time. This would then be followed by a lively selection-out and early retirement program which would meet the further requirements of the service.

a. It is our opinion that the initial sizeable separation action will have a profound effect on morale. The Clandestine Services Career Service is a tightly knit group. Popular officers will of necessity be included among those to be separated. At the same time there is a strong feeling of frustration widespread among the best Clandestine Services officers which has its origin in the Agency's apparent

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inability to solve the manpower problem. In balance, it is our estimate that no permanent harm will be done to the Clandestine Services by undertaking a broad separation action.

b. Annual selection out will never be popular. It is not popular among those services that practice it. It will be an obstacle to recruitment, but one that can be met. Over a period of time, we will be able to develop and expand information programs and services that will help employees adjust their thinking to

25X1C selection out.



The role of the Director of Personnel in the program, aside from having suggested it originally, was to establish the procedures for use by the career services in identifying the so-called surplus personnel, determining those to be terminated or transferred, arranging for the authorization and payment of separation compensation, and other related matters. Prior to the publication of the regulation, the question of the Director's authority to undertake such a program was carefully checked with both Congressional and Presidential sources, since the Navy had considered it necessary in 1958 to obtain statutory authority to conduct

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a "hump" reduction program among its officer personnel. The decision was eventually received that the existing authority of the Director of Central Intelligence was sufficiently broad to permit him to conduct such a program and indeed to award separation pay. Responsibility for administering the program for the Office of Personnel was assigned to the Special Assistant to the Director of Personnel at the time [REDACTED]

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[REDACTED]

certain policy and procedural questions and attempted to cover these in advance, many questions were encountered when the program actually began which had to be resolved along the way. These involved such matters as the reassignment consideration to be afforded surplus individuals, with the issue being the insistence in some cases by the Clandestine Service that selection out of the service meant selection out of the Agency. Other problems included the treatment to be afforded those individuals eligible for retirement or soon to be eligible for retirement, the hearing of appeals, numerous questions relating to the payment of separation compensation, and an endless number of other questions.

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Although the DDP "surplus exercise" was the most dramatic of the surplus exercises conducted subsequent to the publication [REDACTED] partly because of the number of individuals involved

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and partly because of the reaction of top management to this particular exercise, the record shows that there were several

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other "701 exercises" which were accomplished [REDACTED]

[REDACTED] with relatively little fanfare. The first of these in fact was a DDP surplus exercise which attracted very little attention because it involved a relatively small number of TSD personnel. Listed below are the "701" exercises accomplished

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[REDACTED] the approximate dates of their initiation, and the numbers involved in each exercise.

Summary of "701" Cases

<u>Career Component and Date Initiated</u>	<u>Total Surplus</u>	<u>Retained</u>	<u>Retired</u>	<u>Resigned</u>	<u>Terminated</u>
Technical Services May 1961	3	0	1	0	2
Administrative Officers June 1961	7	3	2	0	2
Management Analysts June 1961	10	5	0	4	1
Training Officers July 1961	13	3	0	2	8
Records Officers August 1961	5	1	0	0	4
Clandestine Service September 1961	153	58	12	14	69
Total	<u>191</u>	<u>70</u>	<u>15</u>	<u>20</u>	<u>86</u>

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It should perhaps be noted that within the time frame of approximately 35 months, in addition to their regular duties, both the developmental work and the handling of the actual cases were undertaken by the staff of the Special Assistant which included 

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C. Separation Compensation, 1961

As a companion piece to [REDACTED] and also following months of intensive study, there was published on the same date (10 February 1961) [REDACTED]

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[REDACTED] Essentially, separation compensation was to be authorized to those individuals separated as surplus personnel

...when it is established that for the predominant part of the five-year period preceding the separation their service in the Agency was of such a nature as to (1) require the acquisition and application of skills for which requirements in other Government or commercial fields of employment are either rare or nonexistent, or (2) effectively prevent them from studying, practicing, or otherwise developing or retaining proficiency in an established occupation or profession, or (3) prevent the individual, for reasons of operational cover or security, from describing or confirming to a prospective employer the scope and level of his duties and responsibilities.

In view of the fact that the payment of separation compensation obviously involved the expenditure of public funds, prior clearance was obtained from both the Bureau of the Budget and the Committee on Appropriations of the House of Representatives. Certain restrictions were imposed on the Agency in the administration of this program, specifically limitations establishing the maximum number of individuals who might receive separation compensation within a stipulated period. In the

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light of the abrupt end to the use of "701," these restrictions proved to be no handicap.

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Director of Personnel to terminate a separation compensation authorization upon a finding that a fraudulent claim had been submitted or that a security or cover agreement with the Agency had been breached. Fortunately, it was never necessary for the Agency to invoke this provision.

Responsibility for administering the Agency's first separation compensation program was assigned to the Special Assistant to the Director of Personnel. This required in the first instance the development of rather detailed procedures for authorizing the grants, for making initial payments, and for processing subsequent claims to the limit of the individual's authorization. Prior to the large-scale Clandestine Service surplus exercise, the career services that had conducted surplus programs varied somewhat in their interpretation of the criteria for granting separation compensation. For example, the Administration Career Service granted separation compensation to both of its employees who were eligible for the compensation. The Management Career

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Service determined that none of its employees met the criteria for granting separation compensation. The same held true for the Records Career Service. The Office of Training, with some of its training officers under cover status for a number of years, granted separation compensation to six employees and denied it to four. Those individuals separated under the Clandestine Service surplus exercise were all authorized separation compensation, and this obviously presented a much more formidable administrative problem.

Between 16 September 1961 and 20 December 1965 the Office of the Special Assistant authorized the disbursement of \$819,426.17 to 75 individuals. The following table gives a breakdown of the money disbursed.

<u>Separation Compensation</u>	
<u>Fiscal Year</u>	<u>US \$</u>
1962	21,032.83
1963	386,605.45
1964	327,119.67
1965	72,226.22
1966	12,442.00
Total	<u>819,426.17</u>

In October 1965, under the provisions of Public Law 89-301, a new, more liberal Government-wide separation compensation program was devised not restricted to individuals separating as "surplus" personnel.

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D. The Panels

1. Applicant Review Panel, 1953

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The Applicant Review Panel was established 15 July 1953 by the Deputy Director (Administration) and was originally called the Medical-Security-Personnel Panel. The purpose of



that time the name of the panel was changed to Applicant Review Panel. Generally, the purpose of the panel has remained the same since its inception in 1953.

A member of the Special Activities Staff has served as chairman of the panel since 1958. The Special Activities Staff also provides the necessary clerical support. The panel consists of representatives designated by the Director of Personnel,

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Director of Security, and Director of Medical Services. These offices are responsible for presenting pertinent information. The Chief, Assessment and Evaluation Staff, Office of Medical Services, is responsible for bringing to the attention of the panel information developed by that staff concerning the intellectual capacities, aptitudes, or personality characteristics of an individual under consideration.

In connection with its consideration of a case, the panel recommends continued processing, further review by either the Office of Personnel, the Office of Security or the Office of Medical Services, or rejection on suitability grounds. In the latter contingency, the chairman of the panel provides a written report through the Chief, Special Activities Staff to the Director of Personnel, whose decision is final. In certain non-clerical cases, the Director of Personnel, if he deems it appropriate, may consult with the head of the career service concerned before a final decision on canceling the processing is made.

Among the principal reasons for applicants being rejected by the panel are: excessive use of alcohol, dishonesty, immaturity or irresponsibility, instability, poor work records, financial irresponsibility, poor academic records, use of narcotics or marijuana, falsification of employment records, marital problems, and problems involving family members.

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The following chart reflects those cases involving a significant question of suitability considered by this panel:

Fiscal Years, 1959-67

<u>Fiscal Year</u>	<u>Total Cases Considered</u>	<u>Approved</u>	<u>Rejected</u>
1959	231	112	119
1960	250	92	141
1961	202	67	120
1962	253	89	156
1963	354	162	175
1964	312	93	198
1965	354	111	212
1966	407	140	218
1967	610	246	304

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2. Overseas Candidate Review Panel, 1957

In a memorandum dated 8 October 1957 addressed to the Directors of Security and Training and Chief, Medical Staff, the Director of Personnel proposed that the Clandestine Service provide to the offices represented on the Medical-Security-Personnel Panel the "names of personnel above the clerical level who have been earmarked for overseas assignments." Those offices in turn would be asked to make

...the necessary review of their records and bring to the Panel material bearing on the suitability of each candidate for foreign assignment.

This proposal was later extended to the Support Services as well as the Clandestine Service. In a memorandum dated 2 December 1957, the Deputy Director (Support), in discussing a case of an employee who had been improperly assigned overseas, advised the Inspector General that the Director of Personnel

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...talked with [REDACTED] and proposed that the Medical-Security-Personnel Panel undertake a review of all persons to be assigned to key and responsible positions overseas, and [REDACTED] readily agreed to this procedure... . The review made by the Panel will be based on materials available in the Offices of Personnel and Security and in the Medical Staff at the time foreign assignment is first contemplated... .

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Subsequently, whenever the M-S-P Panel considered an overseas assignment case, the panel operated as an Overseas Evaluation

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Panel. (In December 1964 the membership of the panel was expanded to include a member of the Clandestine Service "who would be designated by the Deputy Director for Plans.")

In December 1957 the Director of Personnel notified the heads of the career services for Logistics, Communications, and Finance that the Deputy Director (Support) had agreed that those offices also should submit the names of "candidates for overseas positions above the clerical level."*

In late 1957 the Personnel representative on the panel (who was also chairman) was assigned to the office of the Special Assistant to the Director of Personnel and since that time the Special Activities Staff has furnished the professional and clerical support to the panel.

25X1A Effective 13 December 1961, the panel was reestablished on the basis of [REDACTED] and designated as the Overseas Candidate Review Panel. At that time the scope of the panel was further broadened to include all Agency employees proposed for overseas assignment, regardless of office or career service having jurisdiction. This made the panel's jurisdiction Agency-wide.

* By 1959 the Director of Personnel broadened the scope of the panel to include clerical as well as professional candidates for overseas assignment.

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From its beginning the panel had periodically conducted reviews of those cases of employees returned from overseas short of completion of tour for reasons of unsuitability. In this manner, the panel was able to review the adequacy of procedures for selecting overseas assignees, as well as its own effectiveness. In September 1964, following an IG survey of the Office of Personnel, the Acting Deputy Director for Support notified all Deputy Directors and the Inspector General that because of an increasing concern about the number of individuals being returned from overseas prior to completing their tours of duty, he had assigned to the Overseas Candidate Review Panel

...the responsibility for reviewing cases of staff employees and staff agents who failed to complete their tours due to adverse factors such as misconduct, inability to adjust, etc., with a view to ascertaining whether there were shortcomings in Agency procedures or deficiencies in the selection of individuals for overseas assignment, and what corrective action, if any, might be taken to avoid similar cases in the future.

In the latter part of 1964 the Director of Personnel appointed a task force headed by the chairman of the panel to review the overseas clearance procedures used by the various offices represented on the panel. The study made by the task force revealed a need for the simplification and acceleration of the total evaluation process. One result of the study was the development of Form 259a, Request for PCS Overseas Evaluation.

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By using a standardized form, an office nominating an overseas candidate can obtain the various clearances and approvals in one centrally controlled operation, thus reducing the amount of time and paperwork formerly required.

At the present time (1971) the procedure is as follows:

The career service nominating an employee for an overseas assignment refers the employee's name and other pertinent information to the Special Activities Staff by means of Form 259a. Upon receipt of the form, SAS distributes various copies to the offices represented on the panel. Those offices in turn screen their files and conduct other examinations or investigations, as appropriate. If no question arises concerning the suitability of the employee or his family for the assignment, the panel's approval is transmitted by use of Form 259a through the Special Activities Staff to the requesting career service. If a question of suitability arises involving either the individual or his family which cannot be resolved by one of the Support offices unilaterally, the case is then placed on the agenda for discussion. The panel's recommendations are reported to the Director of Personnel, who is responsible for reviewing the findings and for informing the head of the appropriate career service if he determines that a question exists about the suitability of an employee or his dependents for the proposed overseas assignment.

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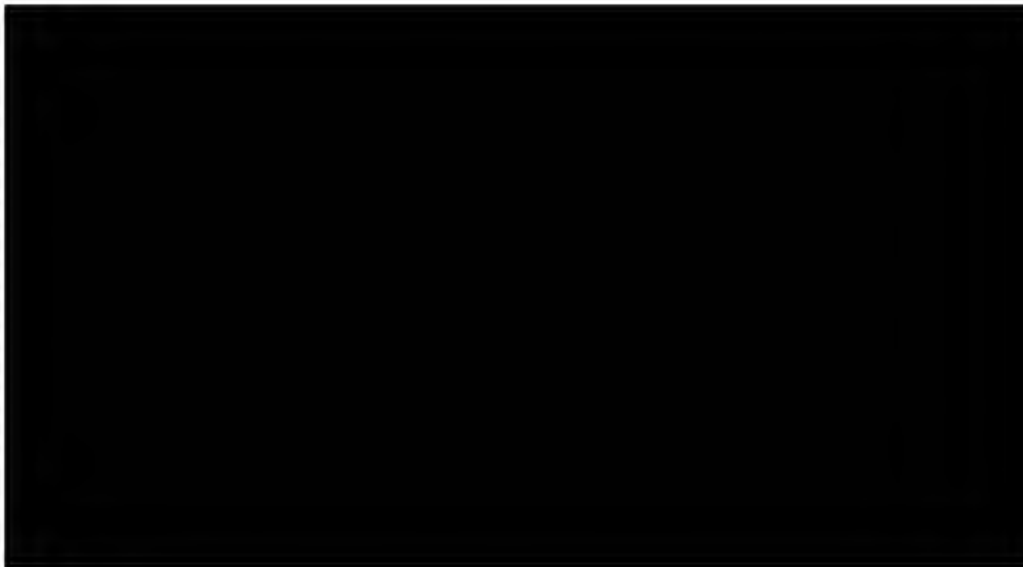
Questions which cannot be resolved between the Director of Personnel and the head of the career service are referred to the Executive Director-Comptroller for final decision.

The following statistical summary reflects cases considered by the Overseas Candidate Review Panel:

Fiscal Years, 1959-67

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<u>Year</u>	<u>Total Candidates Screened</u>	<u>New Cases Considered</u>	<u>Approved</u>	<u>Rejected</u>
-------------	------------------------------------------	---------------------------------	-----------------	-----------------



Most overseas candidates were rejected by the panel for one or more of the following reasons: immaturity or emotional problems, poor attitude, personality problems, excessive use of alcohol, family problems, and poor performance. Of those candidates considered and approved by the panel for overseas service less than 1% were returned short of tour for reasons of unsuitability.

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E. The CIA Personnel Evaluation Board, 1954

In 1953 a need arose to clarify Agency policy concerning employees who had developed mental disabilities. Certain questions were being asked concerning the length of time a person should be carried on the rolls in a situation where he had been admitted to a mental institution, the procedure to be utilized to terminate the employment of a person who was mentally incompetent, and the like. Finally, in January 1954, the then Deputy Director for Administration, the Assistant Director of Personnel, the General Counsel, Chief of the Medical Staff, and the Director of Security held a meeting to consider the problem of mental cases.* It was decided at that meeting that a board should be established to

consider psychiatric cases which are the final responsibility of the AD/P [Assistant Director of Personnel] for disposition.

The board was to consist of all of the participants of the January meeting, plus a representative from the employee's office. The Deputy Director for Administration further suggested that a notice be prepared outlining the functions and procedures of the newly created board, known initially as the Psychiatric Screening Board.

* Memo for Record, 25 January 1954, subject: Personnel Psychiatric Board.

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In February 1954 the Inspector General notified the Acting Deputy Director for Administration and the Assistant Director of Personnel that several cases involving mental health of Agency employees had been called to his attention. He requested that a mechanism be established to bring to the attention of the Director of Central Intelligence the "prevalence and nature of those cases requiring initial suspension from duty and/or hospitalization."

The Acting Deputy Director for Administration decided that the report to the DCI on psychiatric cases could best be prepared through the mechanism of the Psychiatric Screening Board. The Assistant Director of Personnel should prepare the overall report which would be sent through the Inspector General, to include the comments of the Medical and Security offices.

In March 1954 the Chief, Counseling Branch, Employee Services Division, Office of Personnel, was appointed Executive Secretary to the Psychiatric Screening Board. He immediately undertook the task of preparing a draft of a regulation under which the board would operate. At a meeting on 22 March 1954, however, the board decided that the [REDACTED] Psychiatric Board, should be considered as the charter by which the board would operate, and that a formal regulation would not be issued. The board met once again in March and agreed that

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the name should be changed from "Psychiatric Board" to the "Disposition Board" since "many of the cases which would come up for discussion would be other than mental cases."

In 1958, responsibility for monitoring the activities of the Disposition Board was assigned to the Special Assistant to the Director of Personnel. Between March 1954 and March 1964 the Disposition Board met several times each year, usually at the request of the Chief, Medical Staff. The following table is a summary of the activities of the board from March 1954 to June 1964.

<u>Fiscal Years, 1955-64</u>		
<u>Period Covered</u>	<u>Meetings Held</u>	<u>Cases Considered</u>
March 1954-June 1954	4	9
1955	8	9
1956	8	18
1957	9	13
1958	5	15
1959	7	10
1960	2	2
1961	5	9
1962	5	9
1963	4	4
1964	8	22

Most of the cases considered by the board had psychiatric overtones. The board's principal function became one of coordinating the actions of the various offices represented on the board. The Psychiatric Staff, Office of Medical Services, was able to alert Personnel, Security, the General Counsel, and appropriate

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operating officials to the fact that an employee had a mental problem. Those offices in turn were able to coordinate any proposed efforts in each case, meeting as a board when appropriate.

In March 1964 the Acting Director of Central Intelligence advised the Director of Personnel that

It recurringly comes to my attention that from time to time the personal conduct or job performance of an employee is so deficient that it is at least highly questionable whether he is suitable for continued employment in CIA Far too frequently there is evidence that supervisors at all levels have not taken reasonable action As part of our over-all Agency program to ensure high standards of suitability and to improve supervisory performance, you are directed to conduct a thorough investigation of any case which comes to your attention which raises questions of suitability for continued employment and to make appropriate recommendations to me.

In response to the ADCI's directive, the Director of Personnel recommended that the functions of the Disposition Board be redefined and extended to "include serious suitability cases of all types in addition to the psychiatric type case, and to re-name and formalize such a Board." In a memorandum dated 30 May 1964 the Deputy Director of Central Intelligence advised all Deputy Directors and Office Heads that the Agency Disposition Board would be replaced by a board having greater scope in the matter of advising on questions of suitability for Agency employment. The new board would be called the "CIA Personnel

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Evaluation Board" and would be composed of the following:

Chairman: Director of Personnel

Permanent Members: Director of Security
Chief, Medical Staff

Temporary Members: The head of the career service having
jurisdiction over the employee, or
the former's designee
The chief of the employee's office or
division, as appropriate

Advisors: General Counsel
Director of Finance

The board would meet on the call of the chairman, and the Chief, Special Activities Staff, Office of Personnel, would be the Executive Secretary of the Board.

Since the Personnel Evaluation Board's inception in 1964, Agency supervisors and officials bring to the attention of the Director of Personnel for review and, as appropriate, for consideration by the board any employee cases which come to their attention in which there is any question of suitability for continued Agency employment. After a careful consideration of the case, the board advises the Director of Personnel as to a suggested course of action. Following the meeting, the Office of Personnel, through the Special Activities Staff, attempts to dispose of the case in a manner consistent with the course of action recommended by the board and approved by the Director of Personnel. Such cases are normally resolved through resignation, termination, or disability retirement.

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A statistical summary of the activities of the Personnel
Evaluation Board since its redesignation in 1964 follows:

<u>Fiscal Year</u>	<u>Meetings Held</u>	<u>Cases Considered</u>
1965	13	25
1966	7	14
1967	6	7

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F. The Career Conversion Program

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In 1954 considerable attention was directed within the Agency to the proposed establishment of a "Career Staff." The



Employees who had three years of Agency service and were at least 25 years old were given application forms to sign. The forms contained a statement to the effect that

I am also aware that as a member of the Career Staff it will be my obligation to serve anywhere and at any time and for any kind of duty as determined by the needs of the Agency.

After an employee signed the application, a review of his work, health, and employment records as documented in the Official Personnel Folder was initiated and the findings reported to an Examining Panel. The Panel would recommend to the CIA Selection Board that the employee be (1) accepted for membership into the Career Staff, (2) be rejected for membership, or (3) be deferred either because the employee had declined to submit an application or the employee had a deficiency of some sort.

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25X9 Applications for membership into the Career Staff were sent to eligible employees from July 1954 until sometime in 1960. By then it was becoming evident that most employees were willing to sign the application and the great majority of those who signed were admitted into Career Staff membership. Career Staff records indicate that between 21 January 1955 and 2 June 1960, [REDACTED] cases were considered. Of those, [REDACTED] were approved, 250 were deferred, 77 were rejected, and 29 declined to submit an application. 25X9

Among those reasons for rejecting employees for membership into the Career Staff were unsatisfactory personal conduct while on-the-job, unwillingness to fulfill the obligations of Career Staff membership, lack of intent to make a career with CIA, inadequate job performance, history of indebtedness, irresponsibility in handling Government funds, abuse of sick and annual leave privileges, unsatisfactory performance of assigned duties, and an excessive number of security violations. Reasons for deferring action on an application for Career Staff membership were insufficient evidence of satisfactory performance, career interest appeared to be in fields other than those to which assigned, history of indebtedness, unwillingness to fulfill the obligations of the Career Staff at that time, leave problems, and past misconduct.

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Whatever the "Career Staff" was considered to be, it was not an "elite corps." Processing applications for membership in reality became a tool of management. Instead of providing certain benefits to those employees who became Career Staff members, it mainly identified those relatively new Agency employees who probably should not have been selected for employment in the first place. Despite its usefulness from the management point of view, the Career Staff concept slowly died, and during 1960 no new applications were distributed or processed.

During the latter part of 1961, the present Career Conversion Program was initiated, thereby bringing to an end the "Career Staff" concept. Effective 15 September 1961, all staff personnel were entered on duty in a "Career-Provisional" status. At the end of the employee's first three years of Agency service (but not before his 25th birthday) and following an overall suitability review, the employee's name is referred to the head of his career service along with any pertinent information, and the career service head in turn recommends to the Director of Personnel (1) the employee's conversion to Career Employee status, (2) deferment of such recommendation for a period not to exceed one year, or (3) termination of the individual's Career-Provisional appointment.

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From September 1961 until the early part of 1962, the same personnel who had handled processing of applications for the old Career Staff administered the new Career Conversion Program. In 1962 the program was transferred to the Special Assistant to the Director of Personnel. In reorienting the new program, during 1962 the SAD/Pers made arrangements with data processing officials to furnish, on a semiannual basis, a listing by Career Service of all staff employees who had reached three years of continuous Agency service during the preceding six months and who were at least 25 years of age. These listings were later related to the Agency-wide computer program.


After receiving the machine lists, the procedure followed by the Special Activities Staff was (and continues to be) as follows: The staff reviewed the Official Personnel Folder of each employee and any available "Eyes Only" information. In selected cases, pertinent information was summarized for the head of the appropriate career service and that information, along with the names of all eligible employees, was forwarded to the appropriate career service head. The heads of the career services returned their recommendations to the Special Activities Staff, and the Staff then monitored the processing of the personnel actions and conducted follow-ups and gave necessary assistance in cases which had been deferred.

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Fiscal year statistics from 1 July 1962 until the present are shown in the statistical summary below:

Fiscal Years, 1963-67

25X9	<u>Fiscal Year</u>	<u>Total Converted</u>	<u>Total Deferred by Heads of Career Services for Period Not to Exceed 1 Year</u>
	1963		
	1964		
	1965		
	1966		
	1967		

A majority of the deferred cases were later converted to Career Employee status; the remainder resigned from the Agency.

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G. Custodian of Sensitive Personnel Information

In 1962 the then DDCI, General Carter, during his review of appeals from employees who had been proposed for separation under the provisions of the Agency surplus regulation, noted that certain pertinent information, or reference to it, concerning an employee's suitability, was often not to be found in the employee's Official Personnel Folder. Such information could, however, be found after considerable searching in office files throughout the Agency. General Carter was especially concerned over the lack of a system which insured that all pertinent information on an Agency employee was available when a personnel action was being considered. Subsequently, the Deputy Director for Support asked the Director of Personnel to prepare a proposed procedure for integrating employee information.

During October 1962 the Special Assistant to the Director of Personnel (later Chief, Special Activities Staff) prepared a proposed directive from the DDS to the heads of the support offices, concerning the initiation of a system for the "integration of personnel information" (which was thereafter referred to as the IPI program). In addition to the directive, there were standard operating procedures to be used and a suggested form for the use of the participating offices in reporting on a continuing basis a summary of any confidential information

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which had been or was being included in their office files. On 13 December 1962 the DDS notified the Comptroller, Chief of the Medical Staff, Director of Personnel, and Director of Security that the integration of information influencing personnel actions would be brought to fruition in three phases. Phase I was the informal and ad hoc arrangement whereby personnel, medical, and security information was to be pooled on a more formal basis, and then information from the Comptroller would be added. Phase II would be an "attack on the 'soft files' existing in every component of the Agency ..." and Phase III would "centralize or report the existence of other information about employees which should be considered in connection with personnel actions affecting them."

Phase I was completed by July 1963, and in August 1963 General Carter in

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General Carter further directed that each Deputy Director (for his immediate office) and Operating Official would advise the Director of Personnel when action in compliance with the notice

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had been completed. Between August and December 1963, all components of the Agency reported that they had reviewed their soft files and that pertinent information had either been referred to the Office of Personnel or its existence had been so indicated.

Access to the information in the IPI file maintained by the Special Activities Staff is restricted to Deputy Directors and Heads of Career Services, or their representatives. It is also made available to the Support offices and their instrumentalities, such as the Overseas Candidate Review Panel.

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I. Consultant Service to Offices and Career Services on
Personnel Problem Cases

From his designation on 19 September 1957, the Special Assistant to the Director of Personnel has had as his number one responsibility serving as the senior representative of the Director of Personnel in the handling of personnel problem cases. In addition to providing staff support to the Director of Personnel in these matters, his office is responsible for providing advice and guidance to Agency employees with--or Agency officials involved with--serious personnel problems. In short, professional members of the staff are in effect consultants, equipped by training and experience to assist Agency management with their most difficult problem cases. The expertise called for not only is in the broad area of personnel administration but also includes an extremely broad range of knowledge and experience in such other areas as medical, security, legal, and the behavioral sciences generally. Working with the staff resources provided by the Agency in these fields, members of the Special Activities Staff have been in a position to provide Agency personnel managers with advice and assistance of a high professional order.

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Appendix A

Chronology: 1957-70

- 1957 Director of Personnel establishes staff headed by Special Assistant to the Director of Personnel to handle problem cases.
- 1957 SA/D/Pers provides executive secretary for the Agency Disposition Board.
- 1958 Selection-Out Program began.
- 25X1A 1958 Applicant Review Panel and Overseas Candidate Review Panel made responsibility of SA/D/Pers.
- 1961 [REDACTED] Surplus Program started.
- 1961 Separation Compensation authorized for employees affected by Surplus Program.
- 25X1A 1961 [REDACTED]
- 1962 Career Conversion Program transferred to SA/D/Pers.
- 1962 Program established for the integration of "Eyes Only" personnel information to be responsibility of SA/D/Pers.
- 1963 SA/D/Pers changed to Special Activities Staff.
- 1964 Responsibilities of Disposition Board redefined and extended; name changed to Personnel Evaluation Board.

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APPLICATION FOR MEMBERSHIP
in the CAREER STAFF of the
CENTRAL INTELLIGENCE AGENCY

To the Director of Central Intelligence

Sir:

I submit herewith my application for membership in the Career Staff of the Central Intelligence Agency as defined below:

"The Career Staff of the Central Intelligence Agency is a group of carefully selected and trained individuals who accept an obligation to devote themselves to the needs of the Agency, and who intend to make a career with the Agency."

In accordance with this definition, I desire to devote myself to the faithful performance of duty in the Central Intelligence Agency, and I accept the obligations and conditions of that service which are determined to be essential to the furtherance of its mission.

I am aware of the many restrictions necessarily placed upon me by virtue of the security requirements inherent in my employment by the Central Intelligence Agency. I am also aware that as a member of the Career Staff, it will be my obligation to serve anywhere and at any time and for any kind of duty as determined by the needs of the Agency, and I have been assured that in order to carry out this policy, full consideration will be given to my particular capabilities, interests, and personal circumstances. By virtue of this application for membership and upon my acceptance in the Career Staff, I am assured that, with continuing satisfactory work performance and conduct on my part, just and equitable attention will be accorded my personal progress during my tenure in the Career Staff. I am also assured that, on my satisfactory completion of any assignments, I will be offered reassignments which are compatible insofar as possible with my abilities and career interests, and that I shall be entitled to the benefits now available or to be made available in the future to members of the Career Staff of the Central Intelligence Agency.

MEMBERSHIP IN THE CAREER STAFF OF
THE CENTRAL INTELLIGENCE AGENCY
APPROVED, TO TAKE EFFECT 6 NOV 1957

FOR THE DIRECTOR OF CENTRAL INTELLIGENCE:
EXECUTIVE DIRECTOR
THE CIA SELECTION BOARD

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